

## SENATE BILL No. 339

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 9-22-3; IC 9-29.

**Synopsis:** Certificate of salvage titles. Authorizes the owner of a salvage motor vehicle to retain possession of the salvage motor vehicle under certain circumstances. Sets the procedure for the owner to obtain a certificate of salvage title. Repeals and relocates language relating to the fee for the issuance of a salvage title. Specifies that the revenues collected from the issuance of salvage titles shall be deposited in the motor vehicle highway account. Makes it a Class D infraction for an insurance company to fail to notify: (1) the bureau of motor vehicles when the owner retains possession of a salvage motor vehicle; or (2) the owner of the duty to apply for a salvage title. Makes conforming amendments.

**Effective:** July 1, 2006.

**Merritt**

January 10, 2006, read first time and referred to Committee on Corrections, Criminal, and Civil Matters.

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Introduced

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## SENATE BILL No. 339

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 9-22-3-3 IS AMENDED TO READ AS FOLLOWS  
2       [EFFECTIVE JULY 1, 2006]: Sec. 3. (a) A certificate of salvage title  
3       is required for a motor vehicle, motorcycle, semitrailer, or recreational  
4       vehicle that meets any of the following criteria:

5               (1) An insurance company has determined that it is economically  
6               impractical to repair the wrecked or damaged motor vehicle,  
7               motorcycle, semitrailer, or recreational vehicle and has made an  
8               agreed settlement with the insured or claimant.

9               (2) If the owner of the vehicle is a business that insures its own  
10              vehicles or an insurance company, the cost of repairing the  
11              wrecked or damaged motor vehicle, motorcycle, semitrailer, or  
12              recreational vehicle exceeds seventy percent (70%) of the fair  
13              market value immediately before the motor vehicle, motorcycle,  
14              semitrailer, or recreational vehicle was wrecked or damaged.

15              (3) The motor vehicle is a flood damaged vehicle.

16              (b) For the purposes of this section, the bureau shall, upon request,  
17       determine the fair market value of a wrecked or damaged motor



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vehicle, motorcycle, semitrailer, or recreational vehicle if the fair market value cannot be determined from the source referred to in section 2(1) of this chapter.

(c) **Except as described in section 11(c) of this chapter**, an insurance company must apply for a salvage title for any vehicle that has sustained damages of seventy percent (70%) or more of the fair market value immediately before the motor vehicle, motorcycle, semitrailer, or recreational vehicle was wrecked or damaged if the vehicle meets the criteria of subsection (a)(1).

SECTION 2. IC 9-22-3-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. (a) This section applies to the following persons:

(1) An insurance company that declares a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter and the ownership of which is not evidenced by a certificate of salvage title.

(2) An insurance company that has made and paid an agreed settlement for the loss of a stolen motor vehicle, motorcycle, semitrailer, or recreational vehicle **that:**

**(A) has been recovered by the titled owner; and**

**(B) meets at least one (1) of the criteria set forth in section 3 of this chapter.**

(b) A person who owns or holds a lien upon a vehicle described in subsection (a) shall assign the certificate of title to the insurance company described in subsection (a). The insurance company shall apply to the bureau within thirty-one (31) days after receipt of the certificate of title for a certificate of salvage title for each salvage or stolen vehicle subject to this chapter. The insurance company shall surrender the certificate of title to the department and pay the fee prescribed under IC 9-29-7 for a certificate of salvage title.

**(c) When the owner of a vehicle described in subsection (a) retains possession of the vehicle:**

**(1) the insurance company that makes an agreed settlement for the vehicle shall notify the:**

**(A) bureau on a form prescribed by the bureau of the retention after the settlement of the loss; and**

**(B) owner of the owner's responsibility to comply with this subsection;**

**(2) the owner shall, not more than thirty-one (31) days after the date of settlement, forward to the bureau:**

**(A) the properly endorsed certificate of title or other**

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evidence of ownership acceptable to the bureau;

(B) the application for the certificate of salvage title; and

(C) the appropriate fee under IC 9-29-7; and

(3) the bureau, upon receipt of the items specified in subdivision (2), shall issue a certificate of salvage title under section 4 of this chapter for the vehicle.

(c) (d) When a self-insured entity is the owner of a salvage motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter, the self-insured entity shall apply to the bureau within thirty-one (31) days after the date of loss for a certificate of salvage title in the name of the self-insured entity's name.

(d) (e) Any other person acquiring a wrecked or damaged motor vehicle, motorcycle, semitrailer, or recreational vehicle that meets at least one (1) of the criteria set forth in section 3 of this chapter, which acquisition is not evidenced by a certificate of salvage title, shall apply to the bureau within thirty-one (31) days after receipt of the certificate of title for a certificate of salvage title.

(f) A person that violates subsection (c)(1) commits a Class D infraction.

SECTION 3. IC 9-22-3-37 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 37. **Except as provided in section 11(f) of this chapter**, a person who violates this chapter commits a deceptive act that is actionable by the attorney general and is subject to the remedies and penalties under IC 24-5-0.5.

SECTION 4. IC 9-29-7-2.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2.3. (a) The fee for a certificate of salvage title is four dollars (\$4).

(b) The fee for a delinquent certificate of salvage title is ten dollars (\$10). The bureau shall collect this fee if:

(1) a purchaser or transferee fails to apply for a certificate of salvage title or a transfer of title, by assignment, not later than thirty-one (31) days after the salvage motor vehicle is purchased or otherwise acquired; or

(2) the owner of a salvage motor vehicle retains possession of the salvage motor vehicle and the owner fails to apply for a certificate of salvage title not later than thirty-one (31) days after the settlement of loss with the insurance company.

SECTION 5. IC 9-29-7-2.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 2.5. The fee for a duplicate certificate of salvage title

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1     **is four dollars (\$4).**  
2     SECTION 6. IC 9-29-7-7 IS AMENDED TO READ AS FOLLOWS  
3     [EFFECTIVE JULY 1, 2006]: Sec. 7. The revenues from the:  
4     **(1) certificate of salvage titles collected under IC 9-22-3; and**  
5     **(2) license fees collected under IC 9-22-4;**  
6     shall be deposited in the motor vehicle highway account.  
7     SECTION 7. IC 9-29-4-6 IS REPEALED [EFFECTIVE JULY 1,  
8     2006].

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